GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

MINES & MINERALS – 2nd Renewal of Mining Lease for Limestone over an extent of 12.75 Ac (5.158 Ha) in Sy.No.22/B of Konauppalpadu (V), Yadiki (M), Ananthapuramu District, in favour of M/s.Sri Satya Sai Mineral Company - Declared as lapsed under rule 28 (1) of M.C. Rules, 1960 - Orders – Issued.

INDUSTRIES & COMMERCE (M.III) DEPARTMENT

G.O.MS.No. 123 Dated:16.12.2015.
Read the following:

1.G.O.Ms.No.163, Ind & Com (M.III) Dept., dt.03.06.2005.
2.From the Director of Mines & Geology, Government of A.P., Hyderabad file bearing No.36694/R3-1/2013, dt.20.03.2015.
3.Govt Memo No.18568/M.I(1)/2013, dt:17.07.2014.

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O R D E R:

Government in the reference 1st read above, granted 2nd Renewal of Mining Lease for Limestone over an extent of 12.75 Ac (5.158 Ha) in Sy.No.22/B of Konauppalpadu (V), Yadiki (M), Ananatapuram District, in favour of M/s. Sri Satya Sai Mineral Company for a further period of (20) years w.e.f. 17.04.2004 and the Assistant Director of Mines & Geology, Tadipatri, Ananthapuramu District has executed the lease on 24.11.2005.

2. The Director of Mines & Geology, Government of A.P., Hyderabad in the reference 2nd read above, has reported that the lessee did not fulfill the following conditions and submitted proposals for lapsing of the above said mine held by M/s. Sri Sai Minerals under Rule 28(1) of M.C. Rules, 1960, for consideration of the Government:

(i) The lessee is not operating the mine since 24.07.2008 which is liable for determination and also a breach to covenant 3 of part VII of lease deed executed by the lessee read with the condition under Rule 27(1) of M.C. Rules, 1960.

(ii) The lessee is not maintained the boundary pillars in good order according to the demarcation shown in plan annexured to the lease deed. This is a breach of covenant 2 of part (vii) of the lease deed executed by the lessee read with the condition under Rule 27(1) (g) of M.C. Rules, 1960.

(iii) The lessee is not conducting the mining operations systematically as per mining plan which is required under Rule 22(A) and 45(1a) of M.C. Rules, 1960.

(iv) The lessee is not maintaining the registers showing the production and dispatches of the minerals produced from the subject mining lease. This is a breech under Rule 27(1)(i) of M.C. Rules, 1960 & covenant 10 of Part VII of leas deed.

(v) The lessee has not established the weighing machine, at the mine site which is required under Rule 27(2)(f) of M.C. Rules, 1960 and covenant 13 of part VII of lease deed.

(vi) The lessee is not submitted mining scheme for next five years as required under Rule 12(2) & (3) of MCD Rules, 1988 and U/r 225(v) of M.C. Rules, 1960.

(vii) The lessee is not submitting the monthly and annual returns regularly in form F(8) & Form H-8, which is required under Rule 45(1)(a)(VIII) & rule 45(2)(c) (VIII) of MCD Rules, 1988.

(viii) The lessee has not paid the dead rent every year which is required under Rule 27(1) (C) of M.C. Rules, 1960.

(ix) The lessee has not submitted financial assurance for mine closure which is required under Rule 23(A) & 23(B) of MVDR 1988. (both progressive and final mine closure) and under Rule 22(5)(v) of M.C. Rules, 1960.

(x) The lessee has not submitted mine closure plan which is required under Rule 23(f) of MCDR, 1988.

(xi) The lessee has not submitted the P.C.B. certificate.

(P.T.O.)

3. Government after considering the report of the Director of Mines & Geology, Government of A.P., Hyderabad it had proposed to lapse the above mining lease held by M/s. Sri Satya Sai Mineral Company and accordingly, a show cause notice was issued to the lessee vide reference 3rd read above under Rule 28 (1) of M.C. Rules, 1960 as to why the Mining Lease held by them shall not be declared as lapsed, and submit their explanation/ representation within (15) days failing which duly construed that they have no explanation/ representation on the action proposed and further action will be taken on the material available with the Government.

4. In response to the Show Cause Notice, the Lessee, M/s Sri Satya Sai Mineral Company has submitted their explanation vide their Letter dated.11.08.2014 and requested to drop further action for lapsing the lease.

5. The Director of Mines & Geology, Government of A.P., Hyderabad who sought for his remarks on the explanation of the lessee, has informed that for the (11) Nos. of breaches committed by the lessee as pointed out in the Show Cause Notice, only (2) breaches were rectified i.e. submission of financial assurance for mine closure as required U/r 23 (F) of MCDR, 1988 and not in arrears of MR dues for 2013-14. Further, the Regional Controller of Mines, Indian Bureau of Mines, Hyderabad vide his Lr.dt.24.01.2012 has suspended the mining operations for violation of Rules 12(3) & 13(1) of MCDR, 1988. The Director of Mines & Geology, Government of A.P., Hyderabad has therefore recommended to declare the M.L. held by M/s Sri Satya Sai Mineral Company over the above subject area as lapsed w.e.f. 24.07.2008 under Rule 28 (1) of M.C. Rules, 1960, on the ground that the replies submitted by the lessee to the SCN are not satisfactory.

5. Government have observed that mineral wealth is the wealth of the nation and should be put to use for public good. Government gave mining lease so that the lessee could do mining scientifically within the prescribed time limits and use the mined mineral. Such a mine would generate revenue for the State by way of taxes, employment for the local people and give boost to the overall economy of the region besides industrializing the area. None of these objectives could be achieved due to the abject of the lessee Company.

6. Government after careful examination of the matter hereby declare the 2nd Renewal of Mining Lease for Limestone over an extent of 12.75 Ac (5.158 Ha) in Sy.No.22/B of Konauppalpadu (V), Yadiki (M), Ananatapuram District, in favour of M/s. Sri Satya Sai Mineral Company as lapsed under Rule 28(1) of M.C. Rules, 1960, as the lessee has failed to fulfill the lease conditions mentioned in para-2 above.

7. The Director of Mines & Geology, Government of A.P., Hyderabad shall take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M.GIRIJA SHANKAR
SECRETARY TO GOVERNMENT (FAC)

To
M/s.Sri Satya Sai Mineral Company,
Prop: Sri C.L.N.Reddy, Mine Owner,
Rayalacheruvu (V),
Yadiki (M),
Ananthapuramu District. (By RPAD).

The Director of Mines & Geology, Government of A.P., Hyderabad. (w.e.file)
Copy to:
The Zonal Joint Director of Mines & Geology, Kadapa.
The Assistant Director of Mines & Geology, Tadipatri, Ananthapur District.
The District Collector, Ananthapur District.
The Secretary to Govt. of India, Ministry of Mines, Sastry Bhavan, New Delhi-110001.
The Controller General, Indian Bureau of Mines, Indira Bhavan, Civil Lines, Nagpur - 440001.
The Director General, Mines Safety, Dhanbad, Jarkhand.
The Regional Controller of Mines, Indian Bureau of Mines, Room No.603, 6th Floor, CGO Towers, Kavadiguda, Secunderabad – 500 080.
SF/SCs. (C.No.18568/M.III(1)/2013).

// FORWARDED :: BY ORDER //

SECTION OFFICER